
Foreign Assistance Reform in the New Administration: Challenges and Solutions?

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[Verbatim, as delivered, April 23, 2008.]

I would like to welcome our expert panel of witnesses to the committee today to discuss the daunting task that the next Administration and Congress faces – the reforming and rationalizing of the U.S. foreign assistance system.

It is painfully obvious to Congress, the Administration, foreign aid experts, and non-government organizations alike, that our foreign assistance program is fragmented and broken and in critical need of overhaul. I strongly believe that America's foreign assistance program is not in need of some minor changes, but, rather, it needs to be reinvented and retooled in order to respond to the significant challenges our country and the world faces in the 21st century.

This year, our committee will review our foreign assistance program to look at what actions are needed to achieve coherency and effectiveness in the U.S. foreign assistance framework. We will hold a series of hearings on various aspects of foreign assistance reform such as rebuilding U.S. civilian diplomatic and development agencies, the role of the military in delivering and shaping foreign assistance, and improving America's image around the world.

These efforts will help inform this committee on the direction that Congress and the next Administration should take in reforming U.S. foreign assistance. Many experts are calling for a partnership between Congress and the next Administration to come together and work on improving our foreign assistance programs. I am committed to this partnership and will do everything I can to ensure that it yields results.

Next year, our committee intends to reform and rewrite the *Foreign Assistance Act of 1961*. That bill has not been reauthorized since 1985. This antiquated and desperately overburdened legislation – over 500 pages long – does not adequately provide the flexibility and necessary authorities for our civilian agencies to tackle global extremism, poverty, corruption, and other threats to our long-term national security goals.

As Congress and the next Administration come together on rewriting this legislation, we must give greater attention to core development programs, particularly basic education, child survival, maternal health, cultural exchanges, and agricultural development programs.

Recently, there have been a few stark examples of poorly performing programs which have resulted in waste, fraud, and abuse, such as the U.S. reconstruction programs in Iraq and Afghanistan. Our foreign assistance programs have also been crippled by a lack of resources, coordination, and a lack of critical capacity and authorities necessary to support such programs.

As a result, there has been an ad hoc effort to reform our foreign assistance programs through new programs, such as the Millennium Challenge Account, new mandates, and more congressional and administration directives. I welcome the effort to better coordinate our foreign assistance programs and to make those programs more accountable by providing merit-based assistance to good performing countries through the Millennium Challenge Account. However, I am concerned that these efforts merely provide a stop-gap to the problems which require broad-reaching and long-term solutions. With over ten cabinet departments and over fifteen sub-cabinet positions and independent agencies

involved in implementing foreign assistance, our system has become plagued with poor oversight and accountability, and a lack of meaningful coordination and coherency.

And I am also concerned by the Department of Defense's (DoD) rapid encroachment into foreign assistance. Astonishingly, the proportion of DoD foreign assistance has increased from 7 percent of bilateral official development assistance in 2001 to an estimated 20 percent in 2006. DoD activities have expanded to include the provision of humanitarian assistance and training in disaster response, counter-narcotics activities, and capacity-building of foreign militaries. These activities should be carried out by the Department of State and U.S. Agency for International Development (USAID). The military is overburdened, overstretched, and they must focus on the security threats facing our nation. While the civilian agencies should coordinate their activities with the military to ensure coherency of effort, we should no longer rely on the military to be the diplomatic and development face of America around the world.

I would like to again welcome our witnesses today, who will address the various challenges facing the U.S. foreign assistance structure and their recommendations for moving forward in the next Administration. I am looking forward to hearing the witnesses' assessment of the current system and the organizational and legislative obstacles facing the current system and their recommendations for organizational and legislative reform. And specifically, should Congress and the next President merge USAID completely into the DoS, or should we upgrade USAID to a cabinet-level department for development, or maintain the status quo? What should a foreign assistance reauthorization bill look like? And I would also like our witnesses to answer the question: how do we balance our national security objectives with our development goals in our foreign assistance programs? Or, are they mutually reinforcing? In addition, what role should the U.S. military play in providing foreign assistance? How do you propose to improve the capacity of U.S. civilian agencies to respond to the challenges of the 21st Century?